



Committed to the future of rural communities.

Housing Programs Guaranteed Loans

Program Objective

USDA Rural Development Housing Programs Guaranteed Loans are used to assist low to moderate income families who cannot obtain conventional financing without assistance.

The Guaranteed Loan program, USDA Rural Development provides a 90% guarantee to traditional lender loans.

Because a down payment is not required, this program helps borrowers by reducing the closing costs.

In addition, there is no mortgage insurance premium cost, which further reduces the up front costs and monthly payments. Both of which help the borrower qualify.

Eligible Areas

The home must be located in a designated rural area to qualify for financing through USDA Rural Development.

Rural areas include open country and communities with populations of less than 10,000 and are rural in character but not closely associated with urban areas.

Loans can be made in areas of up to 25,000 in population which are outside a Metropolitan Statistical Area.

Ineligible areas in Montana include Billings, Great Falls, Missoula, Helena, and Bozeman.

Loan and Applicant Requirements

The guaranteed loan can only be used for the purchase of an existing or new stick-built home or a new manufactured home.

If you plan to build your home, you must obtain other financing for construction costs.

The guaranteed loan can be used to refinance an existing home.

Maximum loan limits for the guaranteed loan are based on the applicant's income and repayment ability.

USDA Rural Development Montana
www.rurdev.usda.gov/mt/

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should be sent to:
USDA, Director,
Office of Civil Rights
1400 Independence Ave. SW
Washington, DC 20250-9410
800-795-3272 (voice) 202-720-6382 (TDD)

To qualify for a loan guarantee, each applicant must meet all of the following criteria:

- ◆ Be unable to obtain a loan without the USDA guarantee on terms and conditions that they can be reasonably expected to meet;
- ◆ Have sufficient income to meet all obligations;
 - √ Principal, interest, taxes, and insurance (PITI) cannot exceed 29% of income.
 - √ Total indebtedness (monthly obligations of income) cannot exceed 41% of income.
- ◆ Have an acceptable credit history.
- ◆ Be a US Citizen or be legally admitted to the United States for permanent residency.
- ◆ Be the owner occupant of the dwelling.

Your adjusted

annual income must meet the income requirements for the area.

Contact your local office for the applicable limits.

Home Requirements

In addition to applicant requirements, there are also certain requirements for the home.

It must provide modest, decent, safe, and sanitary housing for the family and cannot have an in-ground swimming pool or other structures designed for income-producing purposes.

The land value of the property cannot exceed 30% of the appraised market value of the home.

The property must be inspected by a qualified inspector and conform to USDA Rural Development construction and inspection requirements including thermal standards.

Area Offices

For more information, contact your nearest area or state office.

Billings

Jared Kaiser
(406) 657-6297, ext 4

Bozeman

Tom Atkins
(406) 585-2530

Helena

Cindy Donnell
(406) 449-5000, ext 4

Great Falls

Suzie Davis
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(406) 752-4242, ext 4

Missoula

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